

G010/CI-90-148 INITIATING AN INVESTIGATION OF MIDWEST GAS COMPANY REGARDING FEES FOR RESIDENTIAL MAIN EXTENSIONS AND NEW SERVICE INSTALLATIONS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of Midwest Gas Service
Extension Complaints

ISSUE DATE: April 23, 1990

DOCKET NO. G010/CI-90-148

ORDER INITIATING AN INVESTIGATION
OF MIDWEST GAS COMPANY
REGARDING FEES FOR RESIDENTIAL
MAIN EXTENSIONS AND NEW SERVICE
INSTALLATIONS

PROCEDURAL HISTORY

Within the past year, the Commission has received five complaints from customers of Midwest Gas Company (MWG or the Company) alleging that the Company has improperly charged them a flat \$300 fee to connect them to its gas line.

On April 10, 1990, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

The \$300 connection fee that the Company is alleged to have charged the complainants does not appear anywhere in the tariff that the Company has filed with the Commission. The Commission has recently confirmed to MWG that the Commission will require utilities to conform to the tariff on file with the Commission even where the deviation in question represents a reduction from the tariffed rate. In the Matter of the Petition of Midwest Gas Company to Change its Rates for Service Installations and Residential Gas Main Extensions, Docket No. G-010/M-89-374, ORDER APPROVING TARIFF CHANGES AS MODIFIED (August 30, 1989), at 4. A complaint that the Company may have charged a rate in excess of the tariffed rate is clearly a serious matter.

Moreover, the complainants allege that the Company has provided hook-up services to other customers for free which may also be a

violation of the tariffed rate for that service. As the Commission noted in the above-cited Order:

The Commission cannot let its enthusiasm for reducing customer rates overcome its need to have all regulated companies charge only the rates which are on file with the Commission. Id. at 4.

Finally, the complaints raise questions whether the alleged disparities in connection fees charged various customers violate the requirements of Minn. Stat. § 216B.03 that rates be "equitable and consistent in application to a class of customers" and not unreasonably discriminatory.

The Commission has general authority, upon complaint or on its own motion, to investigate and examine the operation of any public utility whenever it deems it necessary in the performance of its duties. Minn. Stat. § 216B.14. In these circumstances, the Commission will initiate an investigation on its own motion pursuant to its authority under Minn. Stat. § 216B.14 and direct the Minnesota Department of Public Service (the Department) to investigate these matters and provide the Commission with a report regarding its findings and recommendations.

The Department's report shall address the following issues: whether the Company's practices with respect to service line connection charges comport with the applicable tariff, the nature and extent of any disparities in charges to the Company's customers for hook-up services, and the extent to which any customers may have been overcharged or subsidized due to these practices.

The Commission notes that the Company firmly denies that it charges rates in excess of or at variance from those authorized by its tariff. The Commission simply notes the importance of resolving the issues raised and makes no prejudgment regarding the ultimate resolution of these matters.

ORDER

1. The Commission hereby initiates an investigation of Midwest Gas Company regarding its charges for residential main extensions and customer service installations.
2. The Commission directs the Department of Public Service to investigate this matter and file with the Commission a report of its findings and recommendations upon completion of its investigation.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson

Acting Executive Secretary

(S E A L)